

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
NORTHEAST DIVISION

**THE 1939 WHEAT PROGRAM IN THE
NORTHEAST REGION**

This statement answers briefly some of the questions that are being asked most frequently about the wheat program, such as: Why is there a wheat program? what are you asked to do if you cooperate in it? and what payment are you eligible to receive as at least partial compensation for the sacrifice you make for your cooperation? For more detailed information consult your county or community committeemen.

ACREAGE ALLOTMENTS FOR 1939 WHEAT SEEDING

1. (Q) Who makes the wheat allotments to farms?
(A) The 1939 wheat acreage allotment established for the county is apportioned among farms by the county agricultural conservation committee.
2. (Q) How is the size of the farm allotment determined?
(A) The allotment will as a rule be between 60 and 75 percent of the average acreage of wheat grown on the farm in the past 3 years. The county committee can make some adjustments for exceptional conditions. The amount of adjustment from normal acreage is uniform for all counties and "normal acreage" is computed in the same way for all counties in the country. In counties in which wheat acreage has expanded farthest beyond normal in the past year or two, the reduction from this expanded acreage is somewhat greater than in counties in which acreage has been more stable.
3. (Q) What does the allotment mean?
(A) It represents each farmer's share of a national acreage large enough to supply all the wheat that can be sold at fair prices at home and abroad. Each participating farmer will earn a payment, described later, if he does not seed to wheat more than the acreage in the allotment. If he seeds more than the allotment the agricultural conservation payment will be reduced for each excess acre. No price adjustment payment will be made to any farmer exceeding his wheat acreage allotment.

NORMAL YIELD

1. (Q) What does "normal yield" have to do with the program?
(A) The payment to each farm varies with the "normal yield" established for the farm.

2. (Q) Who sets the "normal yield" for the farm?

(A) The county committee, basing their decision on records of past yields on the farm, or, if records are lacking, the committee makes an appraisal.

THE PAYMENT

(Q) How much will the payment be?

(A) The payment in 1939 will be in two parts:

The first is the **conservation payment**. There are three factors used in computing this payment for any farm. They are: the acres in the allotment; the normal yield of the farm; and the rate of payment per bushel. The rate will be the same for the entire country and is expected to be somewhere between 16 and 18 cents per bushel. The exact amount cannot be computed until later, but the approximate amount has already been determined.

The conservation wheat payment is computed by multiplying the figures for these three factors together. To illustrate: If on "Sam Jones' farm" there is a wheat allotment of 10 acres and a normal yield of 20 bushels per acre, the payment would be calculated as follows:

multiplied by	10 acres—wheat allotment.
	20 bushels—normal yield per acre.
equals	200 bushels.
multiplied by	\$0.16 to \$0.18—national rate per bushel.
equals	\$32.00 to \$36.00—wheat conservation payment.

The second part of the payment is the **price-adjustment payment**. To growers in compliance with their allotments there will also be a price-adjustment payment using the same acre and yield figures but at a rate between 10 and 12 cents per bushel.

For "Sam Jones' farm" this would figure:

multiplied by	10 acres—wheat allotment.
	20 bushels—normal yield per acre.
equals	200 bushels.
multiplied by	\$0. 10 to \$0. 12—national rate per bushel.
equals	\$20. 00 to \$24. 00—price-adjustment payment.

Putting the 2 payments together, they figure:

multiplied by	10 acres—wheat allotment.
	20 bushels—normal yield per acre.
equals	200 bushels.
multiplied by	\$0. 26 to \$0. 30—conservation rate plus price-adjustment rate.
equals	\$52. 00 to \$60. 00—total wheat payment.

OVERPLANTING

(Q) If the farmer plants more than his acreage allotment, how much does he lose?

(A) No price-adjustment payment is made if the acreage exceeds the allotment and a deduction from the conservation payment of 50 cents a bushel of the normal yield of the acreage in excess of the allotment is made.

If, for instance, "Sam Jones," in the illustration, raised 12 acres of wheat he would get no price-adjustment payment and a deduction would be made as follows:

	2	acres—in excess of allotment.
multiplied by	20	bushels—normal yield per acre.
	<hr/>	
equals	40	bushels.
multiplied by	\$0. 50	deduction per bushel from conservation payment.
	<hr/>	
equals	\$20. 00	total deduction from conservation payment.

This would reduce Mr. Jones' wheat payment of from \$52 to \$60 to \$12 to \$16.

USE OF CROPLAND NOT IN THE WHEAT ALLOTMENT

(Q) What can the farmer do with the acreage he customarily plants to wheat but that is not included in his allotment?

(A) He can use the cropland not planted to wheat in any way that is consistent with good farming and the purposes of the conservation program. The payment will be reduced if he takes action tending to defeat the purposes of the program and specific deductions will be made for the following:

(a) Increasing the acreage of commercial vegetables raised on the farm to more than the usual acreage if the total vegetable acreage is over 3 acres in 1939;

(b) Increasing the acreage of corn planted for grain to more than the usual acreage if the total acreage of corn for grain is over 10 acres in 1939;

(c) Increasing the acreage of potatoes planted to more than the allotted acreage or to more than 3 acres if there is no allotment;

(d) Increasing the acreage of tobacco to more than the allotted acreage.

It would *not* be good agricultural policy to relieve the wheat situation by shifting into these crops and creating difficulties for the farmers who produce them.

RELATION TO OTHER PARTS OF THE CONSERVATION PROGRAM

(Q) Is it possible to get paid for carrying out soil-building practices without participating in the wheat program?

(A) The conservation program is one single program with one payment which covers both adjustment of acreages in accordance with wheat, potato, and tobacco allotments and the carrying out of soil-building practices. Any reduction in payment for exceeding an acreage allotment or exceeding the normal acreage of corn planted for grain or commercial vegetables applies to the entire conservation payment. The provisions of the 1939 program relating to potato and tobacco allotments and soil-building practices are expected to be very much like those in the 1938 conservation program.

MARKETING QUOTAS FOR WHEAT

1. (Q) Is there any limit on the number of bushels of wheat that may be sold in 1939?

(A) No; however, the Agricultural Adjustment Act of 1938 provides for establishing wheat-marketing quotas on each farm in the United States on which the normal production of wheat on the acreage planted for harvest in 1939 is more than 100

bushels. Quotas will not be in effect unless the national supply is excessive and more than two-thirds of the wheat growers who vote in a wheat referendum favor the quotas.

2. (Q) If the 1939 production on a farm exceeds the marketing quota established for the farm what becomes of the excess?

(A) The producer may store or use the wheat on the farm or sell it and pay the penalty of 15 cents per bushel of the excess marketed as provided in the Act.

REASONS FOR THE WHEAT PROGRAM

- (Q) Why do we have the wheat program?

(A) In the absence of a wheat program in 1938, we had a greatly expanded acreage with a good yield and a resulting production far in excess of requirements for domestic consumption and possible exports. As a consequence, wheat prices are disastrously low and the carry-over of wheat to next year will in all probability be abnormally large. A reduction in wheat acreage from over 80 millions in 1938 to 55 millions in 1939 is sought through the wheat program in order to bring supplies reasonably into line with market opportunities and to lay the basis for fair prices to farmers. The conservation program provides substantial payments to farmers to compensate them for the immediate cash sacrifice involved in uniting with the farmers of the entire country in a coordinated effort to restore wheat growing to a profitable basis.